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MASTER AGREEMENT

Contract Declaration and Execution

VENDOR:

MONEYGRAM INTRNL INC FSMC Inc 6601 Shingle Creek Pkwy Brooklyn Center, MN 55430 USA

VENDOR CONTACT:

Brenda Berry

PHONE: 913-220-2263

FOB FOB Dest, Freight Allowed

EXT:

EMAIL: bberry@moneygram.com

ISSUER:

JEANETTE CHUPP PHONE: 515-281-6288

EMAIL: Jeanette.Chupp@iowa.gov

Contract For: Banking Services to support Nutrition Programs

Banking Services to support multiple Nutrition Programs per the terms and conditions of RFP 0707588062 of July 27, 2007, and Price Revision to "Fee for each item Paid" effective January 1, 2009.

This contract provides service to the following Nutrition Programs:

1.) Special Supplemental Nutrition Program for the WIC Program administered by the Iowa Dept. of Public Health

2.) WIC Farmers Market Nutrition Program (FMNP) administered by Iowa Dept. of Agriculture and Land Stewardship in cooperation with the Iowa Dept. of Public Health

3.) Senior Farmers Market Nutrition Program administered by the Iowa Dept. of Agriculture and Land Stewardship in cooperation with the Dept. of Elder Affairs and Iowa Area Agencies on Aging

Iowa Dept. of Public Health Program Administrator: Bruce Brown at Phone 515-281-7094 E-Mail Address: bbrown@idph.state.ia.us or FAX 515-281-4913

MoneyGram, Inc. FSMC, Inc.

- Contract Administrator: Brenda Berry at Phone 914-220-2263 or E-Mail: bberry@moneygram.com

- Account Operational Manager: Linda Schrupp

RENEWAL OPTIONS

FROM 01-01-2010 TO 12-31-2010 FROM 01-01-2011 TO 12-31-2011 FROM 01-01-2012 TO 12-31-2012 FROM 01-01-2013 TO 12-31-2013

AUTHORIZED DEPARTMENT 588 Public Health, Dept Of

IN	WITNE	SS W	HEREOF,	this /	Agreement	has	peen	executed	by t	ne	parties h	ereto.

CONTRACTOR	STATE OF IOWA
CONTRACTOR'S NAME (If other than an individual, state whether a corp., partnership, etc. NONE 7 GRAM / FIMC INC.	Journ Dept of administrature Service
Winding Signature) Date Stage 169 68	Stanette Chupp Sec. 9, 2008
Printed Name and Tiffe of Figure Signification (Reinted Name and Title of Person Signing Jeanette Chupp
Address 660/ Shingle Creek Play mn 55430	1305 E. Walnut, Des Moines, Isura



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LINE NO.	QUANTITY / SERVICE DATE	SUNIT	COMMODITY / DESCRIPTION	INIT COST / PRICE OI SERVICE
1	0.00000		95285	\$0.00000
				\$0.000000
			Support Services Banking Services to support Nutrition Programs.	
 2	0.00000	EA	94625	\$0.073000
				\$0.000000
			Banking Services	
			2009 Fee for each Item Paid	
3	0.00000	EA	94625	\$0.085000
				\$0.000000
			Banking Services	
			Fee for each Rejected Item	
4	0.00000	EA	94625	\$0.240000
				\$0.00000
			Banking Services	
			Fee for each Forced Payment (no-charge except endorsement edit force of the program)	
_				
5	0.00000	EA	94625	\$0.000000
			Banking Services	\$0.000000
			Fee for Web Access and 7-year Archive of Check Images	
			(No-Charge Price included in the fee for each item pa	id).
6	0.00000	EA	94625	\$3.00000
				\$0.000000
			Banking Services	
			Fee for each Wire Transfer	
			(standard fee for receiving incoming wires)	
7	0.00000	M	94625	\$7.410000
				\$0.00000
			Banking Services	
			Fee (per thousand) Program Checks	
			Fee is revised annually per the attached Cost Proposal.	
8	0.00000	EA	94625	\$0.000000
			Banking Services	\$0.00000
			Reimbursement of Check Return Fee	
			(No-Charge)	
9	0.00000	EA	94625	\$0.015000
-				\$0.000000
			Banking Services	•
			Void or Unclaimed Items	
10	0.00000	EA	94625	\$0.00000
				\$0.000000
			Banking Services	
			Fee for CD Freight (pass through)	
			(No-Charge)	
11	0.00000		96286	\$0.000000
				\$0.000000
			Transportation of Goods and Other Freight Services	
			Freight for delivery of check stock to WIC Program	
			(Pass Through)	
12	0.00000	HOUR	94625	\$95.000000
				\$0.000000



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LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
			Banking Services	
			Charge per Programming Hour	
			(applicable for System Changes)	
13	0.0000	EA	94625	\$1.000000
				\$0.000000
			Banking Services	
			Charge per ACH SIP, PIP or EIP Vendor File.	
			(Refer to RFP Section C.3 - Additional Activities)	
			•	
14	0.00000	EA	94625	\$0.250000
				\$0.00000
			Banking Services	
			Invoiced per check held for one day for missing issuance	e.
			(Refer to RFP Section C., 3 - Additional Activities)	
15	0.0000	EA	94625	\$0.400000
				\$0.00000

Banking Services Banking Services

Invoiced per Check where data is keyed from the face of the check to do edits when there is no issuance. (Refer to RFP Section C. 3 - Additional Activities")



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TERMS AND CONDITIONS

Incorporation

The Request for Proposal and/or bid documents for this project and the vendor's proposal in response to the RFP or Bid together with any clarifications, attachments, appendices, or amendments of the State or the Vendor are incorporated into this Contract by reference as if fully set forth in this Contract.

Remedies upon Default

In any case where the vendor has failed to deliver or has delivered non-conforming goods and/or services, the State shall provide a cure notice. The notice to cure shall state the maximum length of time the vendor has to cure. If after the time period stated in the notice to cure has passed, the vendor continues to be in default, the State may procure goods and/or services in substitution from another source and charge the difference between the contracted price and the market price to the defaulting vendor. The State's Attorney General shall be requested to make collection from the defaulting vendor.

Force Majeure

Force majeure includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party affected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. These provisions of force majeure also apply to subcontractors or suppliers of the Vendor. Force majeure does not include financial difficulties of the Vendor or any associated company of the Vendor, or claims or court orders that restrict the Vendor's ability to deliver the goods or services contemplated by this Agreement. Neither the Vendor nor the State shall be liable to the other for any delay or failure of performance of this Agreement caused by a force majeure, and not as a result of the fault or negligence of a party.

Subcontractors

The successful vendor shall be responsible for all acts and performance of any subcontractor or secondary supplier that the successful vendor may engage for the completion of any contract with the State. A delay that results from a subcontractor's conduct, negligence or failure to perform shall not exempt the vendor from default remedies. The successful vendor shall be responsible for payment to all subcontractors and all other third parties.

Termination-Non-Appropriation

Notwithstanding any other provision of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the State to appropriate funds, discontinuance or material alteration of the program for which funds were provided, then the State shall have the right to terminate this contract without penalty by giving not less than thirty (30) days written notice documenting the lack of funding, discontinuance or program alteration.

Immunity of State/Fed Agencies

The vendor shall defend and hold harmless the State and Federal funding source for the State of Iowa from liability arising from the vendor's performance of this contract and the vendor's activities with subcontracted and all other third parties.

Assignment

Vendors may not assign contracts or purchase orders to any party (including financial institutions) without written permission of the General Services Enterprise - Purchasing.

Anti-Trust Assignment

For good cause and as consideration for executing this purchase order, the vendor, through its duly authorized agent, conveys, sells, assigns, and transfers to the State of lowa all rights, title and interest in and to all causes of action it may now or hereafter acquire under the anti-trust laws of the United States and the State of lowa, relating to the particular goods or services purchased or acquired by the State of lowa pursuant to the using State of lowa agency.

Delivery and Acceptance

When an award has been made to a vendor and the purchase order issued, deliveries are to be made in the following manner.

- A. Deliveries All deliveries are to be made only to the point specified on the purchase order. If delivery is made to any other point, it shall be the responsibility of the vendor to promptly reship to the correct location. Failure to deliver procured goods on time may result in cancellation of an order or termination of a contract at the option of the State.
- B. Delivery Charges All delivery charges should be to the account of the vendor whenever possible. If not, all delivery charges should be prepaid by vendor and added to the invoice.
- C. Notice of Rejection The nature of any rejections of a shipment, based on apparent deficiencies disclosed by ordinary methods of inspection, will be given by the receiving agency to the vendor and carrier within a reasonable time after delivery of the item, with a copy of this notice to the General Services Enterprise Purchasing. Notice of latent deficiencies which would make items unsatisfactory for the purpose intended may be given by the State of lowa at any time after acceptance.

Delivery and Acceptance (cont)

- D. Disposition of Rejected item The vendor must remove at the vendor's expense any item rejected by the State. If the vendor fails to remove that rejected item, the State may dispose of the item by offering the same for sale, deduct any accrued expense and remit the balance to the vendor.
- E. Testing After Delivery Laboratory analysis of an item or other means of testing may be required after delivery. In such cases, vendors will be notified in writing that a special test is being made and that payment will be withheld until completion of the testing process.

Title to Goods

The vendor warrants that the goods purchased hereunder are free from all liens, claims or encumbrances.

Indemnification

To the extent that goods are not manufactured in accordance with the State's design, the vendor shall defend, indemnify and hold harmless



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the State of Iowa, the State's assignees, and other users of the goods from and against any claim of infringement of any Letter Patent, Trade Names, Trademark, Copyright or Trade Secrets by reason of sale or use of any articles purchased hereunder. The State shall promptly notify the vendor of any such claim.

Nondiscrimination

The vendor is subject to and must comply with all federal and state requirements concerning fair employment and will not discriminate between or among them by reason of race, color, religion, sex, national origin or physical handicap.

The vendor expressly warrants that all goods supplied shall be merchantable in accordance with the Uniform Commercial Code, Section 2-314 and the lowa Code, Section 554.2314.

The State of Iowa is exempt from the payment of Iowa sales tax, motor vehicle fuel tax and any other Iowa tax that may be applied to a specified commodity and/or service. Contractors performing construction activities are required to pay state sales tax on the cost of materials. The lowa Department of Revenue exemption letter will be furnished to a vendor upon request.

Hazardous Material

All packaging, transportation, and handling of hazardous materials shall be in accordance with applicable federal and state regulations including, but not limited to, the Material Safety Data Sheet provision of O.S.H.A. Hazard Communication Standard 29CFR 1910.1200, and Iowa Administrative Code, Chapter 567.

Public Records

The laws of the State of lowa require procurement records to be made public unless exempted by the Code of lowa.

Miscellaneous

The terms and provisions of this contract shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with this contract shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. If however, jurisdiction is not proper in Polk County District Court, the action shall only be brought in the United States District Court for the Southern District or Iowa, Central Division, providing that jurisdiction is proper in that forum. This provision shall not be construed as waiving any immunity to suit or liability, which may be available to the State of Iowa.

If any provision of this contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable.

Records Retention

The vendor shall maintain books, records, and documents which sufficiently and properly document and calculate all charges billed to the State of Iowa throughout the term of this Agreement for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. The vendor shall at, no charge, permit the Auditor of the State of Iowa, or any authorized representative of the State (or where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government) to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records, or other records of the vendor relating to orders, invoices, or payments documentation or materials pertaining to this Agreement.

Independent Contractor

The vendor is an independent contractor performing services for the State of Iowa, and as such shall not hold itself out as an employee or agent of the State.

Performance Monitoring

For all service contracts, the requirements of Iowa Code sections 8.47 shall be incorporated into final terms and conditions of the contract.

ATTACHMENT V. RFP NO. 0707588062 COST PROPOSAL

PROSPECTIVE FINANCIAL: COMPLETE, SIGN AND SUBMIT THIS FORM WITH YOUR COST PROPOSAL

The undersigned agrees to perform Banking Services for the State of Iowa, in accordance with the terms and conditions of Request for Proposal No. 0707588062 and the Financial Institution's response to same at the price schedule offered below:

Note: Years Number 2., 3., 4., 5., and 6. shall be "not-to-exceed" pricing (pricing may be negotiated at lesser rates, but shall not exceed the pricing specified).

FFF SCHEDULE MATRIX:

Specify the pricing applicable to the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); WIC Farmers Market Nutrition Program; and Senior Farmers Market Nutrition Program below:

The pricing provided below is for all Programs.

2000 Sept. 100	2008	2009	2010	2011	2012	2013
Fee Type Estimated Annual Quantity	<u>Year 1</u> Firm Pricing	Year 2 not to exceed	Year 3 not to exceed	Year 4 not to exceed	Year 5 not to exceed	Year 6 not to exceed
Fee for each item Paid Estimated Qty: 200,000	\$0.063 Per Item	.073 \$0.063 Per Item	.085 \$0.063 Per Item	.089 \$0.063 Per Item	.089 \$0.063 Per Item	.089 \$0.063 Per Item
Fee for each Rejected Item Estimated Qty: 600	\$.085 Per Item	\$.085 Per Item	\$.085 Per Item	\$.085 Per Item	\$.085 Per Item	\$.085 Per Item
Fee for each Forced Payment (no-charge except endorsement edit force of the program) Estimated Qty:	\$0.24 Per Item	\$0.24 Per Item	\$0.24 Per Item	\$0.24 Per Item	\$0.24 Per Item	\$0.24 Per Item





3,600						
Fee for web access and 7-year archive of check images Estimated Qty: 170,000	Price included in fee for each item paid.	Price included in fee for each item paid.	Price included in fee for each item paid.	Price included in fee for each item paid.	Price included in fee for each item paid.	Price included in fee for each item paid.
Fee for each Wire Transfer (standard fee for receiving incoming wires) Estimated Qty: 25	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
	Per Wire	Per Wire	Per Wire	Per Wire	Per Wire	Per Wire
	Transfer	Transfer	Transfer	Transfer	Transfer	Transfer
Fee per thousand program checks Estimated Qty: 200,000	\$7.27	\$7.41	\$7.56	\$7.71	\$7.87	\$8.03
	Per 1,000	Per 1,000	Per 1,000	Per 1,000	Per 1,000	Per 1,000
	checks	checks	checks	checks	checks	checks
Reimbursement of Check Return Fee Estimated Qty: 10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Per Item	Per Item	Per Item	Per Item	Per Item	Per Item
Void or Unclaimed Items Estimated Qty: 240	\$.015	\$.015	\$.015	\$.015	\$.015	\$.015
	Per Item	Per Item	Per Item	Per Item	Per Item	Per Item
Fee for CD Freight (pass through) Estimated Qty: 20	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	Per Item	Per Item	Per Item	Per Item	Per Item	Per Item
Itemize any other Mandatory fee(s) which shall apply resulting contract Freight for delivery of check stock to WIC Program.	Pass through	Pass through	Pass through	Pass through	Pass through	Pass through

Per RFP Section 3.10. Specify the applicable rate of interest: Prime plus 2%





Itemize any **OPTIONAL** Fees and Services, not included in the above price schedule in the space provided below:

\$95.00 invoiced per programming hour for system changes

\$1.00 invoiced per ACH SIP, PIP or EIP vendor file. See section "C.3 Additional Activities" for a complete description of services.

\$0.25 invoiced per check held for one day for missing issuance. See section "C.3 Additional Activities" for a complete description of services.

\$0.40 invoiced per check where data is keyed from the face of the check to do edits when there is no issuance. See section "C.3 Additional Activities" for a complete description of services.

Submitted by: (Name of Financial Institution) FSMC, Inc.



Financial Institution Organization

Global Operations Headquarters	Banking Facility	Sales and Account Relationship
6601 Shingle Creek Parkway, MS GO1- 0030 Brooklyn Center, MN 55430	431 Lakeview Street Lake Lillian, MN 56253	9005 W. 128 th st Overland Park, KS 66213

Detail:

FSMC has three locations that will be contributing to the fulfillment of this contract. The Global Operations Headquarters (GO1) is located at 6601 Shingle Creek Parkway, MS GO1-0030, Brooklyn Center, MN 55430. The square feet of the main operations center is 44,000 square feet. This facility has keycard access with sign in procedures. At night the facility is manned by security guards. This location will provide:

- Processing of WIC and FMNP/SFMNP checks
- Editing of WIC and FMNP/SFMNP checks
- Reconciling of WIC and FMNP/SFMNP checks
- Storage of WIC and FMNP/SFMNP checks
- WIC Resource Center personnel provides daily operational support
- Monthly Redemption file
- Report Deliverables
- System support

The Funding Center is located at 431 Lakeview Street, Lake Lillian, MN 56253. Our Funding Center is located near Security State Bank. Security State Bank is the bank that FSMC will use as the financial conduit for the State's contract. The Funding Center is responsible for account maintenance, daily funding and monthly bank statement generation.

The Sales and Account Relationship office is located at 9005 W. 128th St., Overland Park, KS 66213. This location contains the sales and account relationship staff that will interact with the State on any contractual issues and would provide oversight over the overall relationship between the State and FSMC.

Linda Schrupp is currently and will continue to have primary responsibility for the operational delivery of this Contract. Linda has 22 years experience in bank item processing with 5 years specifically in WIC. Linda's resume follows:



